



Review of Transport Select Committee Report: Passenger Transport in Isolated Communities

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August 2014

Who is First?

- First is the largest public transport operator in the UK
- 6400 buses in England Scotland Wales and Ireland
- Carrying 1.6million passengers per day
- Five train operating companies
- Operation of Greyhound coaches, yellow school buses and transit buses across USA and Canada
- 117,000 employees worldwide
- Strategic partner of the Rural Services Network

The Select Committee Report

- The bus industry was not consulted other than at a high level through Greener Journeys
- Need to remember that local authorities now get the BSOG for tendered services and this is ring fenced to 2017
- Is defining Isolated Communities going to solve the problems in itself?
- Why subsidise travel to island communities if they have commercial transport provision?
- Vulnerable groups: the elderly also use buses more because they are “free”!

Some erroneous statements

- Child concessionary schemes are discretionary; ENCTS is mandatory. Where a child concession is reduced to fund ENCTS, due to insufficient govt funding of the latter, this is a local decision (p13)
- Bus operators are not allowed to cross subsidise; this is not a matter of choice (p16)
- BSOG is not there to fund “socially necessary” bus services (p17); it was introduced in 1960s to keep all bus fares lower. When BSOG was cut by 20% in 2012 this affected ALL bus services
- PTEG make a good point: Every £1 spent on supported local bus generates £3 in benefits

- P19 suggests that Quality Contracts are the answer, being able “to ensure the provision of bus services to isolated communities”- cross subsidy
- QCs suspend the market; on a like-for-like basis forecast >30% dearer than deregulated services
- The local authority, through tender specification and partnership working, can deliver same outcome at lower cost
- De-minimis money can save marginal routes
- Operators can pick up commercial opportunities
- Reduced admin costs for all parties

- P21 says that “Partnerships...may be the most realistic means of delivery...”
- Marketing is essential “use it or lose it”
- ATCO suggests operators don’t market to pre- or young drivers; we do, but need a service to market!
- P24 suggests DfT must work with operators to promote bus use, but this is a local issue for local markets!
- P 28 ACORP experience of increasing peak fares to subsidise a Sunday service – that won’t work on buses, patronage and revenue will fall

Other resources

- Comments made about community transport and shared/pooled resources across local authority functions are well made
- DfT has been challenged to set up trials and report back by July 2015

Conclusions and recommendations

- DfT to define “Isolated Communities” – not just rural
- No trade offs between vulnerable groups
- DfT to show strategic leadership with joined-up policy making with other Departments
- Support BSOG protection
- Welcome Quality Contracts
- Marketing needed to stimulate demand
- Community transport is not a direct substitute for local bus
- “Total transport” should pool resources across different local functions

What do we think?

- DfT to define “Isolated Communities” – not just rural
As long as it is not just an exercise in semantics –
there is also the time of day issue
- No trade offs between vulnerable groups Agree but
need to recognise mandatory/discretionary schemes
- DfT to show strategic leadership with joined-up policy
making with other Departments Agree; spend £1 on
transport to save £2 on other services
- Support BSOG protection Agree – but it’s already
under review!

What do we think?

- Welcome Quality Contracts **Disagree; unnecessary, costly, destroys partnership, lessons from North East (Nexus) won't help here**
- Marketing needed to stimulate demand **Agree but this will always be a local issue**
- Community transport is not a direct substitute for local bus **Agree and but can play a complementary role**
- “Total transport” should pool resources across different local functions **Agree there should be some opportunities**

Rural bus services

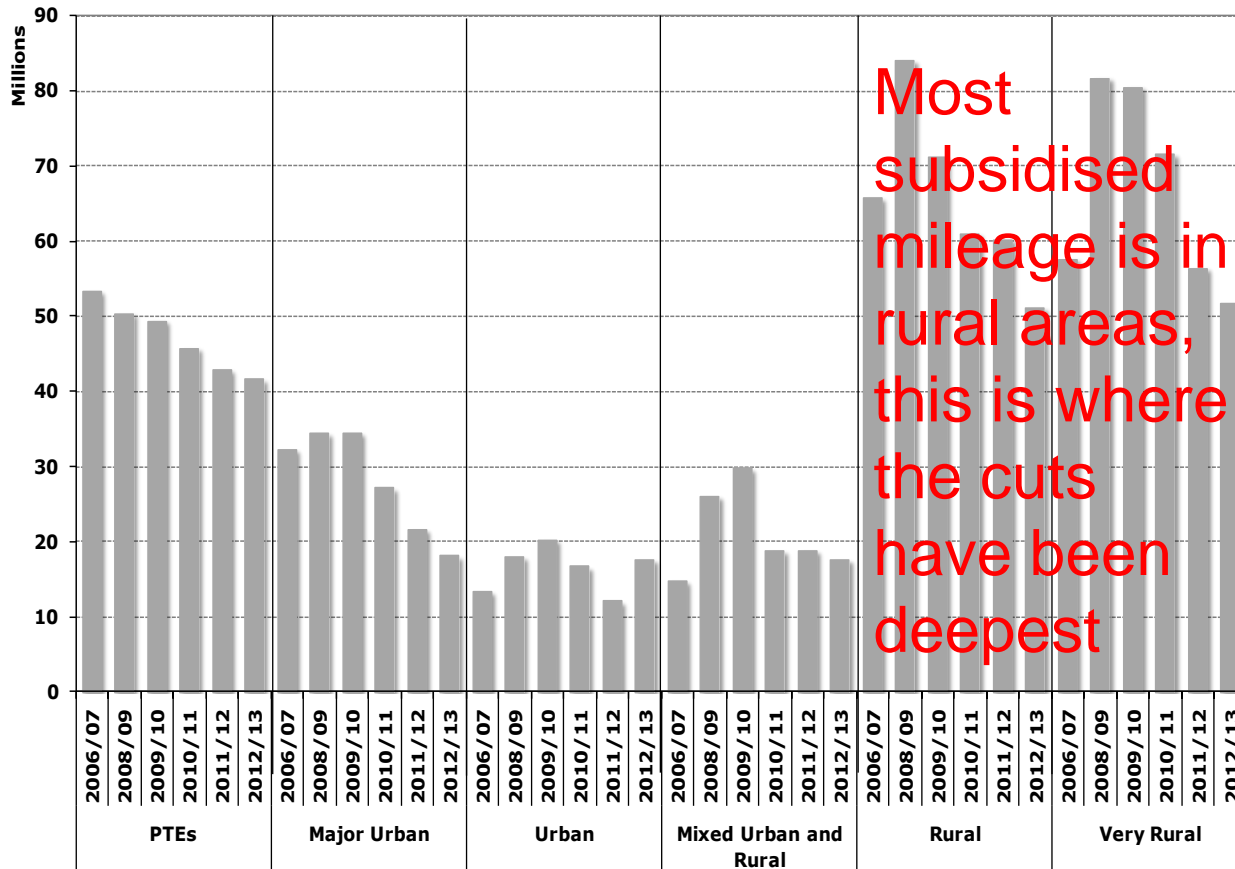
What's happened during the recession? TAS Consultancy analysis of DfT's STATS100 data:

- **Subsidised service mileage fell by 16.5%** between 2006/07 and 2012/13, compared with a reduction of only 1.7% in commercial mileage;
- Overall service supply has reduced by 3.8%
- Total patronage fell by 2.7% over the same period
- Even in rural areas 80% of bus services are now supplied commercially.

Commercial operations....

- Using standard government definitions, in ‘very rural’ areas commercial mileage has **increased** by 8.4% since 2006/07.
- In practice, commercial operators have increased service supply by 16.1 million kilometres against a cut in subsidised mileage of 5.9 million.
- Even where demand is below one passenger per kilometre run, commercial operators **now providing over 80%** of the mileage, compared with 69.5% at the start of the recession in 2006/07.

Total Subsidised Km



Changing markets...

- Rural areas saw subsidised miles increase to 30% in very rural areas in 2008/09 following commercial reductions
- Subsequently this proportion of has fallen back significantly to 19.9%, **lower than in 2006/07**.
- 2012/13 saw marked falls in service provision following the 20% BSOG but
- But **patronage remains higher than in 2006/7** by up to 8%.

In conclusion...

- Spending cuts have led to reduced levels of supported services
 - Operators have stepped in to replace lost mileage on a commercial basis
 - Patronage has grown overall, despite this
 - Clearly shows that commercial operators have an essential part to play
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- Operators tried to absorb the 2012 BSOG cut
 - Further cuts to BSOG would have a more dramatic adverse effect